

**REMARKS**

Claims 1, 3, 5 – 12, 14 – 19, and 21 – 23 have been examined. Claims 1, 3, and 5 – 9 stand rejected under 35 U.S.C. §101 as lacking patentable utility; Claims 1, 3, 5 – 12, 14 – 19, and 21 – 23 stand rejected under 35 U.S.C. §112, ¶2, as being indefinite; Claims 1, 3 7 – 12, 14, 15, 17 – 19, and 21 – 23 stand rejected under 35 U.S.C. §102(e) as anticipated by U.S. Pat. No. 6,511,377 (“Weiss”); and Claims 5, 6, and 16 stand rejected under 35 U.S.C. §103(a) as unpatentable over Weiss.

**1. §101 Rejections**

Claim 1 has been amended to recite explicitly a host computer communicatively connected with computational devices at point-of-sale establishments and having programming instructions to authorize a purchase and to authorize redemption of a sub-account balance (Application, p. 7, ll. 10 – 13). This is in accordance with the suggestion in the Office Action to amend the claim in a manner that recites the functions as being performed by a specifically recited structural element of the system. It is accordingly believed that the §101 rejections are overcome.

**2. §112 Rejections**

A number of amendments have been made to the claims to address the §112 rejections. In particular, the system claims have been amended to recite that certain functions are performed by instructions at the specifically recited host system, and to recite the limitations of Claims 3 and 5 in a manner that limits those instructions. The method claims have been amended to define the balance of the respective sub-account in a manner that refers back to the “crediting” and “debiting” steps, thereby setting forth the functional relationship of the limitations more explicitly. Claims 12, 14, 19, and 21 have been amended to recite the

limitations in a manner that explicitly limits one of the recited steps. Similarly, Claims 17, 18, 22, and 23 have been amended to recite a positive relation to the debiting step of Claim 10. The Applicant further thanks the Examiner for noting the incorrect claim dependencies in certain claims and has corrected them.

### 3. Prior-Art Rejections

The prior-art rejections are respectfully traversed.

#### a. §102 Rejections

For a claim to be rejected under §102, all of the claim limitations must be taught or suggested by the cited reference. MPEP 2131. In this instance, the limitations in the independent claims that recite redemption of a balance of the sub-account in the form of a negotiable instrument are neither taught nor suggested by Weiss. The Office Action appears to rely on the disclosure of Weiss as providing redemption in the form of a “perquisite voucher” as disclosing these limitations. But a “perquisite voucher” is not a negotiable instrument. The term “negotiable instrument” has an unambiguous and well-defined meaning in the art. For example, it is defined in the Uniform Commercial Code (“UCC”) as:

... an unconditional promise or order to pay a fixed amount of money, with or without interest or other changes described in the promise or order, if it:

- (1) is payable to bearer or to order at the time it is issued or first comes into possession of a holder;
- (2) is payable on demand or at a definite time; and
- (3) does not state any other undertaking or instruction by the person promising or ordering payment to do any act in addition to the payment of money, but the promise or order may contain
  - (i) an undertaking or power to give, maintain, or protect collateral to secure payment, (ii) an authorization or power to the holder to confess judgment or realize on or dispose of collateral; or
  - (iii) a waiver of the benefit of any law intended for the advantage or protection of an obligor.

(UCC, §3-104(a), *see* Exhibit 1).

The application sets forth a number of examples of negotiable instruments, including money orders and cashier’s checks (Application, p. 10, ll. 10 – 12), which are identified in the UCC as

examples of instruments that meet the requirements set forth for “negotiable instruments” (*see* Exhibit 1).

The “perquisite vouchers” disclosed in Weiss are not negotiable instruments, but are instead coupons that may be redeemed for goods and/or services (*see* Weiss, Col. 4, ll. 21 – 32 and Col. 26, ll. 3 – 9). There is no teaching or suggestion in Weiss that the perquisite vouchers include “an unconditional promise or order to pay a fixed amount of money.” Instead, Weiss teaches only that cash may be obtained directly (a feature specifically avoided by the claimed invention) or that a perquisite voucher redeemable for something other than money be provided (*id.*, Col. 3, ll. 56 – 67).

b. §103 Rejections

It is respectfully believed that the §103 analysis presented in the Office Action is flawed. In essence, the argument presented is that certain language in the claims does not serve as a limitation because it lacks certain functional interrelationships with other aspects of the claim, and therefore the claim with this language is obvious. But if the language is held not to serve as a limitation, the inquiry whether or not it is obvious should never be reached. Language in a claim does not become “obvious” merely because it is treated as nonlimiting for technical reasons.

The obviousness inquiry is instead always guided by the requirement to establish a *prima facie* case as set forth in MPEP 2143. Even the case cited in the Office Action acknowledges this: “[T]he burden of establishing the absence of a novel, nonobvious functional

relationship rests with the PTO. 'If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent.' ” *In re Lowry*, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994), *citing In re Oeticker*, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992).

The amendments made in addressing the §112 rejections are believed to have ensured that all recitations of limitations in all claims are made in a manner that interrelates them with useful acts, structure, or properties. Accordingly, the §103 analysis should focus on whether a *prima facie* case has been established, i.e. whether all claim limitations are taught or suggested by the cited art, whether there is a motivation to modify the reference as proposed, and whether there is a reasonable expectation of success. MPEP 2143. In this instance, it is plain that Weiss does not disclose a prohibition from card values being redeemed directly for cash, and does not disclose an identifier printed on the card and selectively concealed by a removable concealing strip attached to the card. Accordingly, no *prima facie* case has been established under §103. This is especially apparent in the case of the limitation of Claim 5 requiring a prohibition on card values being redeemed directly for cash. Not only does Weiss not teach such a limitation, it teaches precisely the opposite (“the system includes a redemption apparatus in which players may ... redeem these balances for cash ...,” Weiss, Col. 3, ll. 57 – 60). Such teaching away from a proposed modification has long been viewed as especially strong evidence that the proposed modification is *not* obvious.

### CONCLUSION

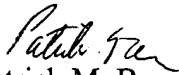
In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

Appl. No. 09/713,603  
Amdt. dated July 2, 2004  
Reply to Office Action of April 5, 2004

PATENT

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

  
Patrick M. Boucher  
Reg. No. 44,037

TOWNSEND and TOWNSEND and CREW LLP  
Two Embarcadero Center, Eighth Floor  
San Francisco, California 94111-3834  
Tel: 303-571-4000  
Fax: 415-576-0300  
PMB:pmb

60232529 v1